

August 18, 2017

(Translation)

Dear Sir/Madam,

Company: JP-HOLDINGS, INC.
Representative: Kazuhiro Ogita,
President and Representative Director
(Stock Code: 2749, First Section of TSE)
Contact: Mika Matsumiya,
General Manager, Administration Division
(Tel: +81 52 933 5419)

Notice Concerning Opening of Kindergartens in Vietnam

JP-HOLDINGS, INC. announces that we will open our first overseas facilities, the “COHAS DA NANG” and the “Cohas Kids” kindergartens in Vietnam, both of which will open on September 5, 2017, in Da Nang City and Ho Chi Minh City, respectively.

Vietnam’s population is increasing at a pace of about 1 million every year, and so demand for kindergartens is expected to increase. In addition, with the country’s level of incomes rising, the weighting of spending on education has also increased, with the need for high-quality education is escalating in response. In addition, Vietnam has a high degree of pro-Japanese sentiment, and furthermore is also a nation that is interested both in Japanese language education and in the Japanese concepts of “etiquette” and “discipline”.

In keeping with these needs therefore, we shall open kindergartens for local high-income groups featuring the high degree of reliability of the “Japan brand” and exploiting our rich track record of achieving business results and accumulated experience in Japan as the advantages.

We shall continue to pioneer and develop new markets abroad and to thereby strengthen our earnings base. Furthermore, by bringing the know-how we acquire in early childhood education back to Japan, we also aim to further improve the level of the domestic services we offer in our home market.

1. Outlines of the Facilities

(1) COHAS DA NANG

This will be the first facility to be operated by our “COHAS VIETNAM CO., LTD” wholly-owned subsidiary which was established in April 2017. COHAS VIETNAM aims to expand its business operations in the area as a base for the development of the market in Vietnam.

【Outline of the Facility】

Name	COHAS DA NANG		
Location	Da Nang City, Vietnam		
Enrollment Limit	200 children		
Fee	Entrance fee	2,000,000 VND	/at the time of entry
	Nursery fee	5,700,000 VND	/month
	School lunch fee	1,500,000 VND	/month
	Facility maintenance cost	2,000,000 VND	/year
Operating Hours	6:45-18:00 (Mon.- Sat.)		

【Outline of the Operator】

Name	COHAS VIETNAM CO., LTD		
Location	Da Nang City, Vietnam		
Representative	Naoto Nishii, Representative Director (Served concurrently as director of JP-HOLDINGS, INC.)		
Business	Early childhood education business		
Capital	6,834,000,000 VND (100% investment by JP-HOLDINGS, INC.)		
Established	April 14, 2017		

(2) Cohas Kids

On the basis of a franchise agreement with the local corporation, Viet Nhat Education Corporation, we will become a franchisor, both providing financing for the funds required as well as supplying know-how, and will also guide the operation of the kindergarten. In the future, we plan to establish a joint venture with the company.

【Outline of the Facility】

Name	Cohas Kids
Location	Ho Chi Minh City, Vietnam
Enrollment Limit	130 children
Fee	Entrance fee 3,000,000 VND /at the time of entry Nursery fee 8,500,000 VND /month School lunch fee 70,000 VND /day Facility maintenance cost 3,000,000 VND /year
Operating Hours	7:00-19:00 (Mon.- Fri.), 7:00-16:00 (Sat.)

【Outline of the Operator】

Name	Viet Nhat Education Corporation
Location	Ho Chi Minh City, Vietnam
Representative	Nguyen Minh Thuan, Representative Director and President
Business	Operation of kindergartens
Capital	5,000,000,000 VND
Established	November 23, 2015

2. Future Outlook

We believe that this has only minor effects on the consolidated financial results of JPHD for the fiscal year ending March 2018. Should any changes arise JPHD will provide prompt disclosure.